

Registered number: 5327434



**XL Insurance
Reinsurance**

CATLIN FINANCE (UK) LTD.

**ANNUAL REPORT
YEAR ENDED
31 DECEMBER 2020**

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CATLIN FINANCE (UK) LTD.

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CATLIN FINANCE (UK) LTD.

COMPANY INFORMATION

Directors and officers at the date that the report is signed:

DIRECTORS	Mark R. Cummings Clynton J. Luttig Craig Standen
COMPANY SECRETARY	Marie L. Rees
REGISTERED NUMBER	05327434
REGISTERED OFFICE	20 Gracechurch Street London EC3V 0BG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

CATLIN FINANCE (UK) LTD.

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of Catlin Finance (UK) Ltd. ("the Company") is to act as a financing company. The Company is exposed to interest rate risk.

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's position as at 31 December 2020 are shown in the financial statements. No interim dividend was paid and the directors do not propose to pay a final dividend (2019: £nil).

PRINCIPAL RISK AND UNCERTAINTIES

The directors have been considering options with regard to the future of the Company but no decision has been taken as of yet to liquidate the Company, as such the financial statements have been prepared on a going concern basis and will continue to be prepared on a going concern basis, until the decision has been taken to liquidate the Company. The valuation of the assets and liabilities of the Company is not expected to change should the financial statements be prepared under the liquidation basis.

DIRECTORS

Company directors who hold office at the date of this report are listed on page 1. Set out below are directors who were appointed during the financial year and up to the date of this report together with those who resigned since 1 January 2020:

Mark R. Cummings	Appointed	18 May 2020
Paul R. Bradbrook	Resigned	18 May 2020

COMPANY SECRETARY

The Company Secretary in office at the date of this report is shown on page 1.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and accordingly they will be reappointed.

COVID-19 OUTBREAK

The COVID-19 Pandemic is continuing globally, and its ultimate impact is highly uncertain. The Pandemic had no impact on the Company's financial position in 2020. The Company continues to monitor the Pandemic and it is taking countermeasures to minimise any potential adverse impacts on the financials of the Company's ability to remain as a going concern. More information on COVID-19 Outbreak and its impact on the Company is provided on Note 12.

CATLIN FINANCE (UK) LTD.

**DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a director at the time when this Directors' Report is approved has confirmed that:

- as far as each director is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware; and
- that each director has taken all the steps that ought to have been taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



Clynton J. Luttig
Director
6 August 2021

CATLIN FINANCE (UK) LTD.

Independent auditors' report to the members of Catlin Finance (UK) Ltd. Report on the audit of the financial statements

Opinion

In our opinion, Catlin Finance (UK) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Profit or Loss, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

CATLIN FINANCE (UK) LTD.

Independent auditors' report to the members of Catlin Finance (UK) Ltd. (Continued) Reporting on other information (Continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the regulatory regime of HMRC, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate transactions to increase the assets or reduce the liabilities of the company. Audit procedures performed by the engagement team included:

- Discussions with management over consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with and reports to HMRC in relation to compliance with laws and regulations;
- Identifying and testing transactions in the year, in particular any transactions with unusual activity; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

CATLIN FINANCE (UK) LTD.

Independent auditors' report to the members of Catlin Finance (UK) Ltd. (Continued)
Reporting on other information (Continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Andrew Moore (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 August 2021

CATLIN FINANCE (UK) LTD.

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Note	£	£
Administrative expense		(291)	(10,183)
Other income		4,059	—
OPERATING PROFIT/(LOSS)	2	3,768	(10,183)
Interest receivable and similar income	4	198	22,918,659
Interest payable and similar expenses	5	(118,038)	(23,154,369)
LOSS BEFORE TAXATION		(114,072)	(245,893)
Tax on Loss	6	68,393	41,172
LOSS FOR THE FINANCIAL YEAR		(45,679)	(204,721)

CATLIN FINANCE (UK) LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total Shareholder's funds
	£	£	£	£
Balance as at 1 January 2019	306	30,464,695	(5,556,101)	24,908,900
Loss for the financial year	—	—	(204,721)	(204,721)
Balance as at 31 December 2019	<u>306</u>	<u>30,464,695</u>	<u>(5,760,822)</u>	<u>24,704,179</u>
Loss for the financial year	—	—	(45,679)	(45,679)
Balance as at 31 December 2020	<u><u>306</u></u>	<u><u>30,464,695</u></u>	<u><u>(5,806,501)</u></u>	<u><u>24,658,500</u></u>

CATLIN FINANCE (UK) LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	7	40,620,119	40,620,119
CURRENT ASSETS			
Debtors	8	109,565	45,346
Cash and cash equivalents		2,158,787	2,150,647
NET CURRENT ASSETS		2,268,352	2,195,993
TOTAL ASSETS		42,888,471	42,816,112
CREDITORS: amounts falling due after more than one year	9	(18,229,971)	(18,111,933)
NET ASSETS		24,658,500	24,704,179
CAPITAL AND RESERVES			
Called up share capital	10	306	306
Share premium account		30,464,695	30,464,695
Profit and loss account		(5,806,501)	(5,760,822)
TOTAL SHAREHOLDER'S FUNDS		24,658,500	24,704,179

The financial statements on pages 7 to 14 were approved by the Board of Directors and signed on its behalf by:



Clynton J. Luttig
Director
6 August 2021

CATLIN FINANCE (UK) LTD.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Catlin Finance (UK) Ltd. (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 20 Gracechurch Street, London, EC3V 0BG.

These financial statements have been prepared on the going concern basis, in accordance with applicable UK accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council and in compliance with the other requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the previous years presented, unless otherwise stated.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Exemption from preparing Cash Flow statement

The Company has availed itself of the exemption under FRS 102 section 1 on 'Reduced disclosures for subsidiaries' on the grounds that it is a wholly-owned subsidiary whose ultimate parent is AXA SA (incorporated in France) which prepares a group consolidated cash flow statement in its group consolidated financial statements that are publicly available.

1.3 Exemption from disclosing related party transactions

As the Company is a wholly-owned subsidiary whose ultimate parent AXA SA (incorporated in France), the Company has taken advantage of the exemption contained in FRS 102 section 33 'Related Party Disclosures' from disclosing related party transactions with entities which form part of AXA SA Group.

1.4 Interest

Interest income and charges are accrued up to the Statement of financial position date.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Foreign currencies

The Company's financial statements are presented in pound sterling which is the same as its functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the time of the original transactions and are not re translated at each year end. Transactions in foreign currencies are translated into sterling at the previous month's closing rates as a proxy for the transactional rates. Exchange gains and losses are recognised in the Statement of profit or loss.

1.7 Intercompany loans

The Inter Company loans payable are initially measured at fair value representing the transaction price and is subsequently measured at amortised cost using the effective interest method.

CATLIN FINANCE (UK) LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.8 Cash and cash equivalents

Cash and cash equivalents consist of cash held at bank, cash in hand, deposits held at call with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These investments have less than three months' maturity from the date of acquisition. Cash and cash equivalents are measured at fair value through the statement of profit or loss account.

1.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the year. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

2 OPERATING (PROFIT) / LOSS

The operating (profit) / loss is stated after (crediting) / charging the following:

	2020	2019
	£	£
Foreign exchange (gain) / loss	(4,059)	4,289

The auditors' remuneration for the year of £5,002 (2019: £4,520) has been borne by another group company, XL Catlin Services SE.

3 STAFF COSTS

The Company has no employees (2019: none).

The Company incurred no staff costs during the year (2019: £nil).

The directors did not receive any emoluments in respect of their services to the Company (2019: £nil).

CATLIN FINANCE (UK) LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2020

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest receivable and similar income	198	22,918,659

Interest receivables consists of £nil (2019: £22,917,086) relating to the Eurobond loan of \$475 million (closed on 21 October 2019) made to Catlin (North American) holdings Limited.

5 INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest payable to group companies	118,038	23,154,369

Interest payable consists of £nil (2019: £22,917,086) relating to interest payable on the Eurobond loan notes of \$475 million (closed on 21 October 2019) issued to Catlin Insurance Company Limited, Bermuda (on 31 December 2019 Catlin Insurance Company Limited, Bermuda was liquidated and merged with XL Bermuda Limited, Bermuda) and £118,038 (2019: £237,283) on loan notes issued to Catlin Holdings (UK) Limited.

6 TAX ON LOSS

a) Analysis of tax credit in the year

	2020	2019
	£	£
Current tax:		
UK corporation tax on losses of the year	(21,673)	—
Adjustments in respect of prior periods	(46,720)	(41,172)
Total current tax benefit	<u>(68,393)</u>	<u>(41,172)</u>

b) Reconciliation of tax credit

Tax assessed for the year is higher than (2019: higher) the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Loss before tax	<u>(114,072)</u>	<u>(245,893)</u>
Loss before tax multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	(21,673)	(46,719)
Effects of:		
Deferred tax not recognised	—	46,719
Adjustments to tax charge in respect of prior years	(46,720)	(41,172)
Tax benefit for the year	<u><u>(68,393)</u></u>	<u><u>(41,172)</u></u>

CATLIN FINANCE (UK) LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2020

6 TAX ON LOSS (Continued)

c) Tax rate changes

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation was introduced in Finance Bill 2021 to set the rate of corporation tax at 19% for the year beginning 1 April 2022 and in the same Bill to set the main rate at 25% for the year beginning 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021. As the rate rise was not yet substantively enacted at the year end, it is not taken into account in calculating the net assets of the company at 31 December 2020.

d) Deferred Tax

There are no unused tax losses (2019: £246,000).

The Company had no deferred tax provision at 31 December 2020 (2019: £nil)

7 INVESTMENTS

	Investment in group undertaking £	Total £
Carrying value		
At 1 January 2020	40,620,119	40,620,119
At 31 December 2020	<u>40,620,119</u>	<u>40,620,119</u>

Investment in group undertaking

This represents 30,465 "A" Cumulative Preference Shares and 10,155 "B" Non-Cumulative Preference Shares in Catlin Insurance Company (UK) Holdings Limited, which has the same parent undertaking.

The directors confirm that the carrying value of the investments is supported by their underlying net assets.

8 DEBTORS

	2020 £	2019 £
Amounts owed by group undertakings	—	4,174
Corporation tax recoverable	109,565	41,172
	<u>109,565</u>	<u>45,346</u>

This represents amounts owed by group undertakings, which are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9 CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Loans from group undertakings	18,229,971	18,111,933

Loan from group undertakings relates to the loan owed to Catlin Holdings (UK) Limited, a fellow group undertaking.

CATLIN FINANCE (UK) LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2020

10 CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted, called up and fully paid		
30,565 (2019: 30,565) Ordinary shares of £0.01 each	306	306

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly-owned subsidiary of XL Bermuda Limited, a company registered in Bermuda. The Company's ultimate parent undertaking is AXA SA, a company registered in France.

The smallest undertaking for which the Company is a member and for which group financial statements are prepared is XL Bermuda Limited ("XLB"), a company registered in Bermuda, and the largest group is AXA SA. The results of the Company are consolidated within the financial statements of AXA SA and XLB. Copies of the audited consolidated financial statements of XLB can be obtained from O'Hara House, One Bermudiana Road, Hamilton HM 11, Bermuda. Copies of the audited consolidated financial statements of AXA SA can be obtained from 25 Avenue Matignon, 75008 Paris, France.

12 COVID-19 OUTBREAK

2020 saw the global outbreak of the COVID-19 pandemic, which first appeared in China in late 2019 before spreading to other countries and becoming a worldwide pandemic by March 2020.

China first put in place unprecedented lockdowns to contain the spread of the pandemic, and similar measures were imposed by most large economies from Mid-March. Worldwide, governments-imposed confinements, quarantines, travel restrictions, social distancing measures and more generally the closure of activities deemed non-essential to try and alleviate the severe strain experienced by local, national and supra-national medical institutions. This led to massive disruptions to the global economic output, notably manufacturing, trade and supply chains, which resulted in both lower economic activity and lower estimates of future economic growth. From May onwards, as the virus contagion started to show signs of abatement, governments started to ease the restrictions to alleviate the negative impacts on the economy.

However, the pace of the contamination accelerated during the third quarter, with the number of daily new cases reaching very high levels, mostly in Europe and in the United States. This situation has proven to be long-lasting, leading governments to strengthen again the sanitary measures after the relative easing during the summer. Although these measures were less stringent than in March, they weighed further on the economic environment. At the end of 2020, most of these restrictions were still in place and outlooks remain uncertain despite vaccines being rolled out to the population of many countries from the end of 2020.

In this highly uncertain context, the AXA Group, the AXA XL division and the Company continue to closely monitor the pandemic and its exposures, including (i) the operational impact on its business, and (ii) the consequence of the deterioration in macroeconomic conditions, or of a slowdown in the flow of people, goods and services.